

4 NOVEMBER 2020

## DEMERGER OF MOOREFIELD PROJECT AND IPO OF AUSTRALIAN GOLD AND COPPER LTD UPDATE

- Magmatic Resources Ltd (MAG) progressing well with the demerger of its Moorefield Gold Project in the Lachlan Fold Belt into its wholly owned subsidiary Australian Gold and Copper Ltd (AGC)
- MAG shareholders will now receive an in specie share distribution of 80% of MAGs AGC shareholding
- Taylor Collison Ltd appointed as Lead Broker to the IPO
- The combined AGC portfolio offers multiple high value, drill ready targets of Fosterville-style gold, McPhillamys-style gold and Cobar-style gold-polymetallic mineralisation within the Central Lachlan Fold Belt
- MAG will remain focused on its highly prospective East Lachlan gold and gold-copper porphyry projects

Magmatic Resources Limited ('Magmatic', 'MAG' or 'The Company') is pleased to provide an update to shareholders on the intended spin out and ASX listing of Australian Gold and Copper Ltd (AGC).

Preparations for AGC's IPO are advanced and progressing well. As previously announced, Magmatic intends to demerge its Moorefield Project and on behalf of AGC has entered into a binding term sheet (Term Sheet) to purchase two Central Lachlan gold/polymetallic projects from New South Resources Pty Ltd (NSR) (ASX MAG 18 September 2020).

Under the agreement, AGC will pay NSR consideration of 40% of the pre-IPO entity for their Cargelligo and Gundagai projects, with MAG holding 60%. MAG and NSR now intend to distribute approximately 80% of their AGC holdings to their respective shareholders via an in-specie distribution.

AGC intends to raise \$10m via IPO and list on the ASX to fund the advancement of the projects, with Taylor Collison appointed as Lead Broker to the IPO.

The demerger and acquisitions remain contingent on, among other things, Magmatic shareholder approval (ASX MAG 18 September 2020).

Proposed AGC company officers:

### **David Richardson** – Non-Executive Chairman

David is the founder and Executive Chairman of Magmatic Resources Ltd and has extensive international corporate experience including 15 years in Japan in Asia Pacific regional director positions with Pacific Dunlop Ltd and Amcor Ltd, his expertise includes venture capital and finance. He founded Magmatic Resources in 2014, listing on the ASX in 2017 and is the Executive Chairman. David holds an MBA from the University of Southern California (USC), LA.

### **Glen Diemar** – Managing Director

Glen is an explorationist with particular expertise in NSW mineral systems. His previous experience includes roles include in BHP Billiton, Indonesia, Kyrgyzstan, and 7 years in NSW with juniors and miners, most recently was CEO of successful private explorer, New South Resources Pty Ltd and responsible for identifying and developing the projects being acquired by AGC. Glen holds a Masters of Economic Geology and is a member of the AIG.

### **Ranko Matic** – Non-Executive Director

Ranko is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. He has provided services to many mining and exploration companies. Ranko holds a Bachelor of Business and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

### **Andrea Betti** – Company Secretary and CFO

Andrea is an accounting and corporate governance professional with over 20 years' experience, acting as CFO, Company Sec and in senior executive roles in banking and finance. She is a member of the Institute of Chartered Accountants in Australia and NZ and an associate member of the Governance Institute of Aust. Andrea has a Bachelor of Commerce, Grad. Dip. In Corporate Governance, Grad. Dip. In Applied Finance and Investment and an MBA from UWA.

More detail will follow with the formal demerger documents including an independent technical assessment report on the assets and other prospectus type disclosure.

## **PROJECTS OVERVIEW**

The ACG projects comprise granted exploration licences EL7675 'Moorefield', EL8669 'Derriwong', EL8955 'Gundagai' and EL8968 'Cargelligo' covering approximately 1000km<sup>2</sup> in the central Lachlan Fold Belt of New South Wales. The combined project portfolio offers multiple near term discovery opportunities for 'Fosterville-style' orogenic gold, McPhillamys-style gold and 'Cobar-Hera-style' gold-polymetallic mineralisation in the Central Lachlan Fold Belt (Figure 1).

### **MOOREFIELD PROJECT (EL7675, EL8669)**

The Moorefield project comprises two exploration licences covering 477km<sup>2</sup> (EL7676 'Moorefield' and EL8669 'Derriwong') (Figure 1). The project includes the drill ready 15km Boxdale - Carlisle Reefs orogenic gold trend defined by strong surface geochemical anomalism and significant existing drill results, including:

- 36m at 1.21g/t Au from 81m (MFRC017, Carlisle Reefs) MAG ASX release 17/10/2017
- 30m at 1.60 g/t Au from 80m (MFRC013, Carlisle Reefs) MAG ASX release 17/10/2017
- 19m @ 1.28g/t Au from 114m (BDRC001, Boxdale) MAG ASX prospectus 17/5/2017
- 15m @ 1.00g/t Au from 85m (BDRC003, Boxdale) MAG ASX prospectus 17/5/2017

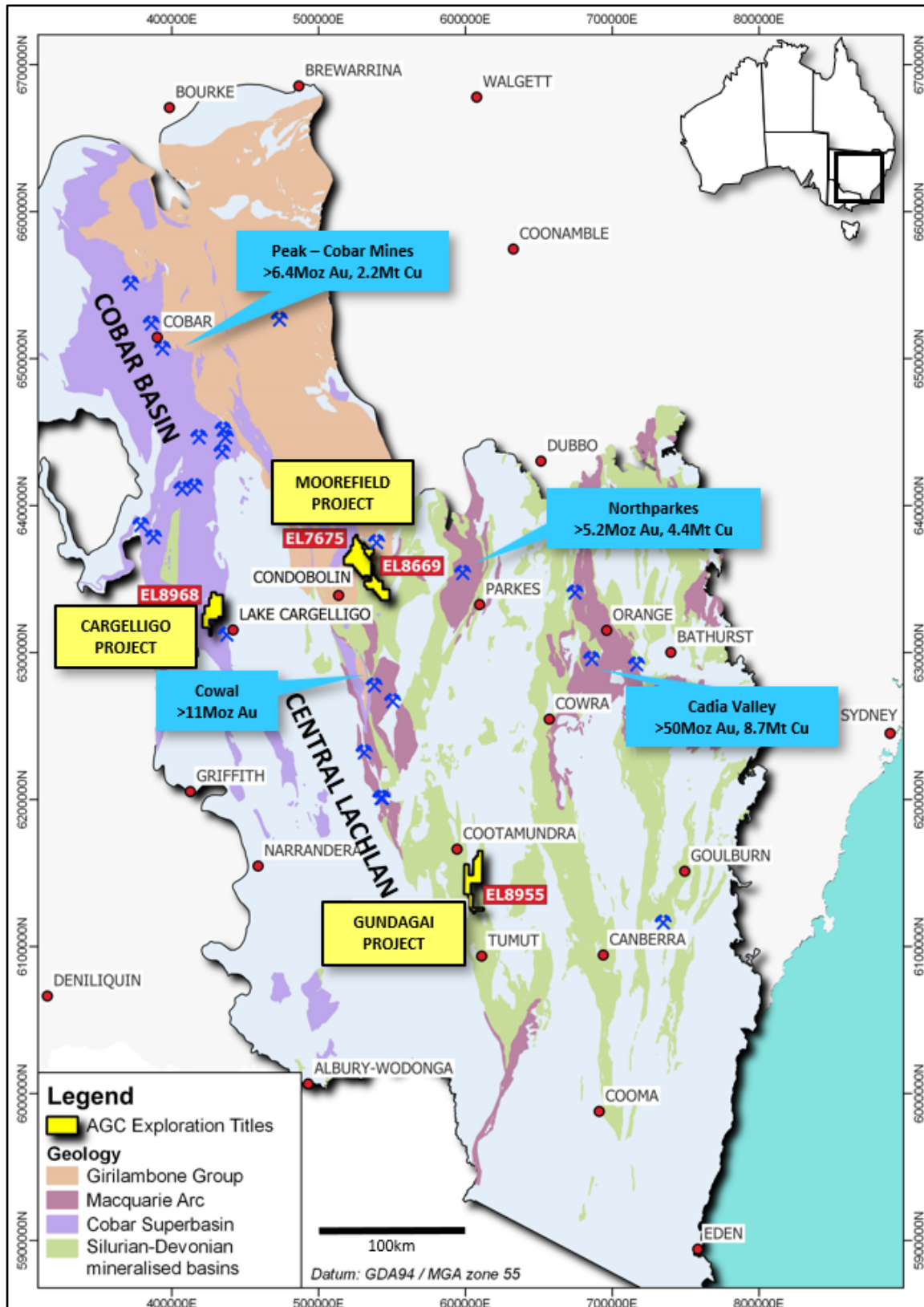


Figure 1: Location Plan showing AGC tenure

### **CARGELLIGO PROJECT (EL8968)**

The Cargelligo project consists of an exploration licence covering 227km<sup>2</sup> (EL8968 'Cargelligo') and comprises multiple drill ready Au-Ag-Cu-Zn-Pb targets within a 15km shear zone along strike from the Cobar Mining District in the southern Cobar Basin.

The Cargelligo Project includes multiple drill ready Cobar-style gold-polymetallic targets, characterised by coincident conductors identified by a recent government airborne EM Survey (Geological Survey of NSW), EM plates, IP targets, historic drill intersections and anomalous surface geochemistry.

The drill ready Mount Boorithumble and Achilles 3 targets are located along strike from and considered exploration lookalikes of Aurelia Metals' (ASX:AMI) Hera Deposit and emerging Federation Discovery.

### **GUNDAGAI PROJECT (EL8955)**

The Gundagai project consists of an exploration licence covering 265km<sup>2</sup> (EL8955 'Gundagai') and comprises multiple drill ready McPhillamys-style gold (e.g. Grandview), epithermal gold-copper (e.g. Rosehill) and VMS zinc-lead targets (e.g. Bongongalong).

Targets show similarities to the multimillion ounce Late Silurian hosted McPhillamys Gold Deposit (ASX:RRL). The drill ready Grandview Target is characterised by a zone of sheared quartz-sericite-carbonate-pyrite altered sediments returning up to 35g/t Au in composite rockchips and represents a near term high grade gold discovery opportunity (MAG ASX 18 September 2020).

**Authorised for release by: Peter Duerden, Managing Director**

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### **Competent Persons Statement**

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Duerden who is a Registered Professional Geoscientist (RPGeo) and member of the Australian Institute of Geoscientists. Mr Duerden is a full-time employee of, and has associated shareholdings in, Magmatic Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Duerden consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Additionally, Mr Duerden confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

## Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website ([www.asx.com.au](http://www.asx.com.au)). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Disclaimer

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Magmatic Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Magmatic Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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